

STAND. COM. REP. NO. 1176

Honolulu, Hawaii

MAR 19 2025

RE: H.B. No. 1494
H.D. 3
S.D. 1

Honorable Ronald D. Kouchi
President of the Senate
Thirty-Third State Legislature
Regular Session of 2025
State of Hawaii

Sir:

Your Committees on Economic Development and Tourism and Higher Education, to which was referred H.B. No. 1494, H.D. 3, entitled:

"A BILL FOR AN ACT RELATING TO SPORTS FACILITIES,"

beg leave to report as follows:

The purpose and intent of this measure is to:

- (1) Lapse appropriations of general obligation bond funds previously authorized for the planning, design, and construction of a stadium in Halawa by the Stadium Authority;
- (2) Transfer certain special fund moneys earmarked for the development of a new stadium in Halawa to the general fund;
- (3) Authorize the issuance of general obligation bonds for a new stadium on the University of Hawaii at Manoa campus;
- (4) Rename the Stadium Authority as the Halawa Redevelopment Authority and the Stadium Development District as the Halawa Redevelopment District; and



- (5) Amends the powers and duties of the Halawa Redevelopment Authority.

Your Committees received testimony in support of this measure from one individual.

Your Committees received testimony in opposition to this measure from the Department of Accounting and General Services; Department of Business, Economic Development, and Tourism; Stadium Authority; Stanford Carr Development; Operative Plasterers' and Cement Masons' International Association Local 630, AFL-CIO; Hawaii Building & Construction Trades Council; Hawaii Regional Council of Carpenters; and two individuals.

Your Committees received comments on this measure from the University of Hawai'i System and Department of Planning and Permitting of the City and County of Honolulu.

Your Committees find that the New Aloha Stadium Entertainment District (NASED) has been in the design and negotiation process since its conception in 2018. Due to this extended process, which has included site selection, design, and negotiations with developers, the University of Hawaii has been left without a permanent stadium. The abrupt closure of the Aloha Stadium and the prolonged process of the NASED project resulted in the University investing millions of dollars into a temporary facility to bridge the gap between the closure of Aloha Stadium and the opening of NASED. This measure will lapse funds previously approved for NASED and instead relocate the project to the University of Hawaii at Manoa campus.

Your Committees acknowledge the concerns raised in multiple testifiers' testimony that this measure contradicts the Legislature's prior decision to fund and advance NASED, undermines years of planning and procurement efforts, and threatens to disrupt the State's ability to leverage sports facilities for economic development and the growth of its tourism industry. Accordingly, your Committees find that even with its delays, it is in the best interests of the State to continue with the existing NASED project.

Your Committees note that S.B. No. 1589, S.D. 3, Regular Session of 2025, which was previously passed by the Senate after



Careful vetting, also relates to the Stadium Authority and the NASED project. Your Committees find that the language of S.B. No. 1589, S.D. 3, is preferable because it acknowledges that the NASED project is a critical project for the State and provides oversight and support to facilitate the timely and effective completion of the project.

Accordingly, your Committees have amended this measure by deleting its contents and inserting the contents of S.B. No. 1589, S.D. 3, a measure that:

- (1) Provides legislative findings pertaining to the NASED project;
- (2) Amends existing law that governs the Stadium Development Special Fund by:
 - (A) Requiring gifts and grants from private sources to be used only for stadium infrastructure and stadium development costs;
 - (B) Requiring any condition imposed by the Legislature on legislative appropriations to the Stadium Development Special Fund to be met before expenditure of the appropriated funds; and
 - (C) Requiring any unencumbered and unexpended funds in the Stadium Development Special Fund to lapse into the general fund if the NASED project is terminated;
- (3) Appropriates out of the Stadium Development Special Fund \$49,500,000 for fiscal year 2025-2026 and an unspecified amount for fiscal year 2026-2027 for purposes sets forth in the statute that governs the special fund; provided that:
 - (A) The development timelines set for the NASED project by the Stadium Authority have been met;
 - (B) The sum appropriated and authorized for expenditure for fiscal year 2026-2027 shall be derived solely



from moneys received by the State as a gift or grant from private sources; and

- (C) All moneys remaining in the Stadium Development Special Fund that are not expended or encumbered shall lapse to the general fund if the NASED project is terminated before completion; and

- (4) Takes effect on July 1, 2050.

Your Committees note the concerns raised regarding the NASED project's contracting process, specifically with regards to Crawford Architects and WT Partnership. Your Committees find that the process and expenses related to the Department of Accounting and General Services' contracting with consulting firms merit further consideration and respectfully requests that subsequent Committees to which this measure is referred examine the matter.

As affirmed by the records of votes of the members of your Committees on Economic Development and Tourism and Higher Education that are attached to this report, your Committees are in accord with the intent and purpose of H.B. No. 1494, H.D. 3, as amended herein, and recommend that it pass Second Reading in the form attached hereto as H.B. No. 1494, H.D. 3, S.D. 1, and be referred to your Committee on Ways and Means.

Respectfully submitted on
behalf of the members of the
Committees on Economic
Development and Tourism and
Higher Education,



DONNA MERCADO KIM, Chair



LYNN DECOITE, Chair



